DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATION

FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER: 0 1 — 0 0 1

2. STATE: Arkansas

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
January 12, 2001

5. TYPE OF PLAN MATERIAL *(Check One)*:

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT *(Separate Transmittal for each amendment)*

6. FEDERAL STATUTE/REGULATION CITATION:
Public Law 272, Section 9508

7. FEDERAL BUDGET IMPACT:
a. FFY 2001 $2,179,674.00
b. FFY 2002 $3,020,540.00

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Please see attached listing

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*:
Please see attached listing

10. SUBJECT OF AMENDMENT:
The Arkansas Title XIX State Plan has been amended to add targeted case management for children eligible for Children's Medical Services.

11. GOVERNOR'S REVIEW *(Check One)*:

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:
Ray Hanley

14. TITLE:
Director, Division of Medical Services

15. DATE SUBMITTED:
January 12, 2001

16. RETURN TO:
Division of Medical Services
P. O. Box 1437
Little Rock, AR 72203-1437

Attention: Binnie Alberius
Slot 1103

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:
01-22-01

18. DATE APPROVED:
April 20, 2001

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
January 12, 2001

20. SIGNATURE OF REGIONAL OFFICIAL:
Calvin G. Cline

21. TYPED NAME:
Calvin G. Cline

22. TITLE:
Associate Regional Administrator
Division of Medicaid and State Operation

23. REMARKS:

ATTACHED LISTING FOR
ARKANSAS STATE PLAN
TRANSMITTAL #01-001

8. Number of the Plan Section or Attachment	9. Number of the Superseded Plan Section or Attachment
Supplement 1 to Attachment 3.1-A Page 25	None, New Page
Supplement 1 to Attachment 3.1-A Page 26	None, New Page
Supplement 1 to Attachment 3.1-A Page 27	None, New Page
Supplement 1 to Attachment 3.1-A Page 28	None, New Page
Supplement 1 to Attachment 3.1-A Page 29	None, New Page
Supplement 1 to Attachment 3.1-A Page 30	None, New Page
Supplement 1 to Attachment 3.1-A Page 31	None, New Page
Supplement 1 to Attachment 3.1-A Page 32	None, New Page
Attachment 4.19-B, Page 7g	Attachment 4.19-B, Page 7g Approved 01-18-95, TN 93-14
Attachment 4.19-B, Page 7gg	None, New Page
Attachment 4.19-B, Page 7ggg	None, New Page
Attachment 4.19-B, Page 7gggg	None, New Page
Attachment 4.19-B, Page 7h	Attachment 4.19-B, Page 7h Approved 07-30-97, TN 97-02
Attachment 4.19-B, Page 7i	Attachment 4.19-B, Page 7i Approved 01-18-95, TN 93-14

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: ARKANSAS

CASE MANAGEMENT

A. Target Group:

By invoking the exception to comparability allowed by 1915 (g)(1) of the Social Security Act, this service will be reimbursed when provided to persons who are not receiving case management services under an approved waiver program, not placed in an institution and are:

- Aged 0-21 and meet the medical eligibility criteria of Children's Medical Services (CMS), the State's Title V Children with Special Health Care Needs Agency, or;
- SSI/TEFRA Disabled Children's Program clients aged 0-16 with any diagnoses.

B. Areas of State in which services will be provided:

[X] Entire State.

[ ] Only in the following geographic areas (authority of section 1915(g)(1) of the Act) is invoked to provide services less than Statewide:

C. Comparability of Services:

[ ] Services are provided in accordance with section 1902(a)(10)(B) of the Act.

[X] Services are not comparable in amount, duration, and scope. Authority of section 1915(g)(1) of the Act is invoked to provide services without regard to the requirements of section 1902(a)(10)(B) of the Act.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: ARKANSAS

CASE MANAGEMENT

Target Group:

By invoking the exception to comparability allowed by 1915 (g)(1) of the Social Security Act, this service will be reimbursed when provided to persons who are not receiving case management services under an approved waiver program, not placed in an institution and are:

- **Aged 0-21 and meet the medical eligibility criteria of Children's Medical Services (CMS), the State's Title V Children with Special Health Care Needs Agency, or;**
- **SSI/TEFRA Disabled Children's Program clients aged 0-16 with any diagnoses.**

D. Definition of Services:

Case management is a service instrument by which service agencies assist an individual in accessing needed medical, social, educational, and other support services. Consistent with the requirements of Section 1902(a)(23) of the Act, the providers will monitor client treatment to assure that clients receive services to which they are referred. One case management unit is the sum of case management activities that occur within a day. These activities include:

- **o A written comprehensive assessment of the child's needs, including analysis of recommendations (e.g. medical records) regarding client's service needs; this does not include the performance of medical/psychological evaluations - it only includes the review of the records of those evaluations in order to assess the child's needs.**
- **o Arranging for the delivery of the needed services as identified in the assessment;**
- **o Assisting the recipient in accessing needed services;**

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: ARKANSAS

CASE MANAGEMENT

Target Group:
By invoking the exception to comparability allowed by 1915 (g)(1) of the Social Security Act, this service will be reimbursed when provided to persons who are not receiving case management services under an approved waiver program, not placed in an institution and are:

- Aged 0-21 and meet the medical eligibility criteria of Children's Medical Services (CMS), the State's Title V Children with Special Health Care Needs Agency, or;
- SSI/TEFRA Disabled Children's Program clients aged 0-16 with any diagnoses.

D. Definition of Services (Continued):

o Monitoring the child's progress by making referrals to service providers through telephone, written or personal contacts, tracking the child's appointments, performing follow-up on services rendered, and performing periodic reassessments of the child's changing needs (including reviews of child's medical records);

o Preparing and maintaining case records; documenting contacts, services needed, reports, the child's progress, etc.;

STATE Arkansas
DATE REC'D 01-22-01
DATE APPV'D 04-20-01
DATE EFF 01-12-01
HCFA 179 AR-01-01

A

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: ARKANSAS

CASE MANAGEMENT

Target Group:

By invoking the exception to comparability allowed by 1915 (g)(1) of the Social Security Act, this service will be reimbursed when provided to persons who are not receiving case management services under an approved waiver program, not placed in an institution and are:

- **Aged 0-21 and meet the medical eligibility criteria of Children's Medical Services (CMS), the State's Title V Children with Special Health Care Needs Agency, or;**
- **SSI/TEFRA Disabled Children's Program clients aged 0-16 with any diagnoses.**

D. Definition of Services (Continued):

o **Special Restrictions -**

- **Medicaid reimbursement shall not be sought for clients who are in institutional placement.**

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: ARKANSAS

CASE MANAGEMENT

Target Group:
By invoking the exception to comparability allowed by 1915 (g)(1) of the Social Security Act, this service will be reimbursed when provided to persons who are not receiving case management services under an approved waiver program, not placed in an institution and are:

- Aged 0-21 and meet the medical eligibility criteria of Children's Medical Services (CMS), the State's Title V Children with Special Health Care Needs Agency, or;
- SSI/TEFRA Disabled Children's Program clients aged 0-16 with any diagnoses.

E. Qualifications of Providers:

Providers must be certified as a Medicaid provider meeting the following criteria:

1. Demonstrated capacity to provide all core elements of case management
   - o assessment
   - o care/services plan development
   - o linking/coordination of services
   - o reassessment/followup

2. Appropriate staff for case management include: registered nurses, licensed social workers, pediatricians, registered dieticians, parent aides and clerical support staff who are credentialed as explained in section E.3 on Pages 30 and 31 or who are under the direct supervision of an appropriately credentialed case manager.

STATE Arkansas
DATE RECD 01-22-01
DATE APPVD 04-20-01
DATE EFF 01-12-01
HCFA ID: AR 01 01

A

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: ARKANSAS

CASE MANAGEMENT

Target Group:

By invoking the exception to comparability allowed by 1915 (g)(1) of the Social Security Act, this service will be reimbursed when provided to persons who are not receiving case management services under an approved waiver program, not placed in an institution and are:

- **Aged 0-21 and meet the medical eligibility criteria of Children's Medical Services (CMS), the State's Title V Children with Special Health Care Needs Agency, or;**
- **SSI/TEFRA Disabled Children's Program clients aged 0-16 with any diagnoses.**

E. Qualifications of Providers (Continued):

3. Qualifications of Credentialed Case Manager:

- **Registered Nurse - must be licensed as a registered nurse by the Arkansas Board of Nursing and have satisfactorily completed a one month CMS case management orientation.**

- **Social Worker - must be a licensed social worker in the State of Arkansas or be qualified through education, training or experience to work in a social work roll and have satisfactorily completed a one month CMS case management orientation.**

- **Pediatrician - must be a licensed M. D. in the State of Arkansas and have satisfactorily completed a one month CMS case management orientation.**

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: ARKANSAS

CASE MANAGEMENT

Target Group:
By invoking the exception to comparability allowed by 1915 (g)(1) of the Social Security Act, this service will be reimbursed when provided to persons who are not receiving case management services under an approved waiver program, not placed in an institution and are:

- Aged 0-21 and meet the medical eligibility criteria of Children's Medical Services (CMS), the State's Title V Children with Special Health Care Needs Agency, or;
- SSI/TEFRA Disabled Children's Program clients aged 0-16 with any diagnoses.

E. Qualifications of Providers (Continued):

3. Qualifications of Credentialed Case Manager (Continued):

- Employed parent of a child with special health care needs. Employed by CMS for the purpose of assisting families to access services and who complete the one month orientation with CMS. A parent cannot be case manager for his or her own child.

- Clerical Support Staff who have two years of experience with a program for children with special health care needs in assisting families to obtain needed medical, social and educational services and have demonstrated the ability to assist families appropriately to access needed services.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: ARKANSAS

CASE MANAGEMENT

Target Group:

By invoking the exception to comparability allowed by 1915 (g)(1) of the Social Security Act, this service will be reimbursed when provided to persons who are not receiving case management services under an approved waiver program, not placed in an institution and are:

- Aged 0-21 and meet the medical eligibility criteria of Children's Medical Services (CMS), the State's Title V Children with Special Health Care Needs Agency, or;
- SSI/TEFRA Disabled Children's Program clients aged 0-16 with any diagnoses.

F. The State assures that the provision of case management services will not restrict an individual's free choice of providers in violation of section 1902(a)(23) of the Act.

- Eligible recipients will have free choice of the providers of case management services.
- Eligible recipients will have free choice of the providers of other medical care under the plan.
- Service plan will be developed with family and primary care physician (PCP). PCP prescription and referral requirements will be waived.

G. The State assures that an agreement will be entered into between the Title V agency, Children's Medical Services, and the Medicaid agency, which will fully comply with the provision of 42 CFR 431.615 to avoid duplication of Title V and Medicaid services.

H. Payment for case management services under the plan does not duplicate payments made to public agencies or private entities under other program authorities for this same purpose.

STATE Arkansas
DATE REC'D 01-22-01
DATE APPV'D 04-20-01
DATE EFF 01-12-01
HCFA ID: AR 01 01

A

19. Case Management Services (Continued)

E. Target Group:

By invoking the exception to comparability allowed by 1915 (g)(1) of the Social Security Act, this service will be reimbursed when provided to persons who are not receiving case management services under an approved waiver program, not placed in an institution and are:

- Aged 0-21 and meet the medical eligibility criteria of Children's Medical Services (CMS), the State's Title V Children with Special Health Care Needs Agency, or;
- SSI/TEFRA Disabled Children's Program clients aged 0-16 with any diagnoses.

Children's Medical Services (CMS), as the Title V agency for children with special health care needs, is entitled to full cost reimbursement for case management services to Medicaid clients pursuant to Section 1902 (a)(11) of the Social Security Act and 42 CFR Section 431.615 (c)(4), which allows Title V agencies to obtain Medicaid reimbursement for the cost of services. The following rate determination pertains to the rate paid to CMS. All other providers of case management services qualifying under this amendment will enroll, bill and be reimbursed according to the rate schedule established by Medicaid under the Targeted Case Management Program reimbursement methodology shown on Attachment 4.19-B, page 7.

Case management services will be billed at a unit rate which is based on one or more documented case management services provided to each client during a day. A case management unit is defined as the sum of case management activities that occur within a day. Thus, no matter whether a Medicaid client receives three hours or fifteen minutes of case management services during the day, only one unit of case management services per client will be billed for one day. The unit rate will be based on the total actual daily cost per client served by CMS. The unit rate includes all direct and indirect costs related to case management service delivery. Indirect costs are costs which cannot be directly identified with a particular program, but are necessary to the general operation of the Department of Human Services (in which CMS is located) or costs associated with an activity which performs services benefiting more than a single program. None of the indirect costs of CMS are duplicative of costs already being charged to the Title XIX program. CMS will use cost reporting principles described in "Cost Principles for State and Local Governments" published in the Office of Management and Budget Circular A-87.

STATE Arkansas DATE REC'D 01-22-01 DATE APPV'D 04-20-01 DATE EFF 01-12-01 HCFA 179 AR 01-01	A

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
OTHER TYPES OF CARE

Revised: January 12, 2001

19. Case Management Services (Continued)

E. Target Group:

By invoking the exception to comparability allowed by 1915 (g)(1) of the Social Security Act, this service will be reimbursed when provided to persons who are not receiving case management services under an approved waiver program, not placed in an institution and are:

- Aged 0-21 and meet the medical eligibility criteria of Children's Medical Services (CMS), the State's Title V Children with Special Health Care Needs Agency, or;
- SSI/TEFRA Disabled Children's Program clients aged 0-16 with any diagnoses.

Whenever it is determined that an individual Medicaid client has insurance, CMS will bill the insurance company for case management services.

The reimbursement rate for CMS case management services to Medicaid clients is computed by dividing CMS' total case management costs for Medicaid eligible clients per day by the average daily number of eligible clients who were provided case management services. The rate is based on a retrospective determination of actual costs from the most recent reporting periods plus an update factor for inflation or other known costs increases (Consumer Price Index for Medical Care for the Dallas-Ft. Worth region published monthly by the Bureau of Labor Statistics). This rate will be adjusted annually, based on the most recent actual cost determination. No retrospective cost/payment reconciliation will be made for a rate period. The initial rate to be effective January 12, 2001 through September 30, 2001 will be determined by trending the previous October 1, 1997 (before the November 1, 1997 removal from the State Plan) rate forward using the CPI for Medical Care - Dallas/Fort Worth region. The rate to be effective October 1, 2001 through September 30, 2002 will be determined from cost information obtained from the six month period January 1, 2001 through June 30, 2001. Thereafter, the State Fiscal Year cost information will be used to set new rates to be effective October 1 of each year.

For Medicaid clients who receive retroactive Medicaid (typically SSI/TEFRA and spenddown clients), a computer report will be generated to document the days in which these clients received case management services which were not billed to Medicaid but could have been under the retroactive date. This computer report will then be used to bill Medicaid for identifiable charges related to identifiable case management services for individual clients; these claims will be made separately from the regular billing procedure.

19. Case Management Services (Continued)

E. Target Group:

By invoking the exception to comparability allowed by 1915 (g)(1) of the Social Security Act, this service will be reimbursed when provided to persons who are not receiving case management services under an approved waiver program, not placed in an institution and are:

- Aged 0-21 and meet the medical eligibility criteria of Children's Medical Services (CMS), the State's Title V Children with Special Health Care Needs Agency, or;
- SSI/TEFRA Disabled Children's Program clients aged 0-16 with any diagnoses.

CMS will provide the state matching funds for Medicaid reimbursement to CMS out of the CMS general revenue appropriation. These matching funds for Medicaid reimbursement represent "overmatch" for the Title V grant and will not be used to match any other federal funds.

CMS has extensive computerized (as well as paper) documentation of the exact details of what case management services were provided for each Medicaid client and the dates of service.

19. Case Management Services (Continued)

E. Target Group:

By invoking the exception to comparability allowed by 1915 (g)(1) of the Social Security Act, this service will be reimbursed when provided to persons who are not receiving case management services under an approved waiver program, not placed in an institution and are:

- Aged 0-21 and meet the medical eligibility criteria of Children's Medical Services (CMS), the State's Title V Children with Special Health Care Needs Agency, or;
- SSI/TEFRA Disabled Children's Program clients aged 0-16 with any diagnoses.

The reimbursement rate for case management services for Medicaid eligible clients is computed as follows:

Compute the: Actual cost of providing case management services for Medicaid eligible clients, including cost of salaries and fringe benefits, travel, supplies, telephone, occupancy cost, etc. A weighted average rate will be calculated, based on the individuals performing the service, through the utilization of a Random Time Study.

Divided by: 249 working days (52 weeks x 5 days = 260 - 11 paid holidays)

Equals: Total daily cost of providing case management

Divided by: Total average daily number of eligible Medicaid clients provided case management services by CMS

Equals: Unit cost of providing case management

Multiplied by: Inflation factor (Consumer Price Index for Medical Care for the Dallas-Ft. Worth region published in October of the current year)

Equals: Case management unit rate

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
OTHER TYPES OF CARE

Revised: January 12, 2001

20. Extended Services for Pregnant Women

a. Pregnancy-related and postpartum services for 60 days after the pregnancy ends.

Reimbursement for these services is described in Attachment 4.19-A and Attachment 4.19-B, e.g. inpatient hospital, outpatient hospital, physician services, etc.

b. Services for any other medical conditions that may complicate pregnancy.

Reimbursement is a negotiated rate. Due to the fact that Arkansas was the first state to implement coverage of expanded services for pregnant women under the SOBRA-86 legislation, the agency was unable to find experience from other states from which to draw information. In Arkansas the services are new and the agency had practically no comparable services with which to compare. The initial rates were established using the following resources for substantiation:

- Rates used by South Carolina in a special program for pregnant women.
- Rates requested by the Arkansas Department of Health as determined by anticipated cost analysis for personnel, maintenance and operation.
- Consideration of an comparison with physician office visit rates.
- Funding constraints.

Subsequent adjustments were also negotiated.

STATE Arkansas
DATE REC'D 01-22-01
DATE APPV'D 04-20-01
DATE EFF 01-12-01
HCFA 179 AR 01-01

A

21. Ambulatory prenatal care for pregnant women furnished during a presumptive eligibility period by a qualified provider (in accordance with section 1920 of the Act.)

Reimbursement for these services is described in Attachment 4.19-B, e.g. outpatient hospital, physician services, etc.

22. Respiratory care services (in accordance with section 1920(e)(9)(A) through (C) of the Act).

See reimbursement methodology on Attachment 4.19-B, Page 1j.